UNITED NATIONS DEVELOPMENT PROGRAMME

UNDP

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DP/PROJECTS/2867
(CHI/74/014)
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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF CHILE

Project title and number:	Technical assistance, Milk Technology Institute, Universidad Austral de Chile (Supplementary Assistance) (CHI/74/014)
Executing Agency:	Food and Agriculture Organization of the United Nations (FAO)
Government co-operating agency:	Southern University of Valdivia
Dates of approval:	December 1976 October 1977
Starting date for project operations:	January 1975 (Including previous assistance)
Planned completion date:	December 1978
Estimated value of the Government input expressed in US dollars:	$ 1 200 000
Estimated UNDP additional contributions:	$ 575 000 (December 1976: $398 500) (October 1977: $176 500)
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. The Government of Chile considers it of great importance that the country's milk industry should have modern technology. To assist it in acquiring and applying such technology, UNDP, through FAO with bilateral aid from the Government of Denmark, collaborated between 1970 - 1974 with the Government of Chile (Southern University of Valdivia) in the establishment of a Milk Technology Institute, through the project, Advanced Education in Milk Technology (CHI/69/537)[1/].

2. By the end of 1972, the Institute had accomplished most of its objectives regarding the training of specialized personnel as well as carrying out applied research in milk technology. It was evident, however, that broader assistance for producers was needed with more emphasis on the planning and development of milk production. Accordingly although its personnel and financial means were limited, the Government started to offer, through the Institute, technical assistance services to help milk producers solve problems in this area.

1/ DP/SF/R.8/Add.9.

3. The main purpose of the present project (CHI/74/014), for which UNDP assistance was initially approved in December 1974, 2/ was to assist the Government in the development of the technical assistance services to milk producers. It was envisaged that the project would end in December 1976. Because of changes in Chilean economic policies, however, the milk industry encountered a less protected and more open market which made necessary the extension of the project to December 1978. For this purpose Supplementary Assistance of $398,500 was approved in December 1976 and an amount of $176,500 in December 1977.

II. The project

4. The additional immediate objective of the project is to assist the Government in adjusting the policy for the sector by: (a) conducting, studying and establishing permanent mechanisms of analysis of milk production; (b) assisting in the rationalization of systems in dairy plants; and (c) seeking ways to stabilize the markets of the milk and dairy products of the country.

5. Under the assistance now approved, UNDP will provide, through the Executing Agency, the services of technologists in the milk industry, individual fellowships and equipment until December 1978.

6. To carry out the activities for which assistance is approved, the Government will make available qualified professional staff, supporting staff, buildings and equipment.

7. The expenditure components of the assistance are as follows:

	Previously approved	Present approval	Total approved
	$	$	$
Personnel	251 000	311 000	562 000
Training	10 800	65 200	76 000
Equipment	29 900	199 900	229 800
Miscellaneous	9 300	(1 100)	8 200
	301 000	575 000	876 000

8. The estimated total value, expressed in US dollars, of inputs provided directly by the Government to the project is $1,200,000 in kind.

2/ DP/PROJECTS/626.

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